

Message Text

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TAGS: TECH, OECD, FR

SUBJECT:IEA NUCLEAR SUBGROUP MEETING, OCTOBER 25-26

1. FOLLOWING IS TEXT OF U.S. DISCUSSION PAPER FOR SUBJECT
MEETING ON "EXPANDING WORLD URANIUM RESOURCE BASE"
(TOPIC 4):

"NEED FOR URANIUM RESOURCE EXPANSION"(UNDERScoreD)

"AN INCREASINGLY IMPORTANT ROLE FOR NUCLEAR POWER TO
MEET ELECTRICITY NEEDS IS ANTICIPATED WORLD-WIDE.
ANNUAL QUANTITIES OF URANIUM NEEDED TO FUEL THE EXPANDING
CAPACITY WILL INCREASE RAPIDLY. ASSURANCE OF LONG-TERM
URANIUM SUPPLY WILL REQUIRE A MAJOR EFFORT, PREFERABLY
COOPERATIVE, BY URANIUM CONSUMERS AND PRODUCERS.

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"REASONABLY ASSURED AND ESTIMATED ADDITIONAL URANIUM
RESOURCES AS REPORTED BY THE NUCLEAR ENERGY AGENCY (NEA)
AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA) IN
"URANIUM RESOURCES, PRODUCTION AND DEMAND," DECEMBER 1975,

WOULD BE SUBSTANTIALLY COMMITTED TO THE CUMULATIVE LIFE-TIME NEEDS OF REACTORS OPERATING BY THE LATE 1980'S. ANNUAL WORLD PRODUCTION CAPACITY ATTAINABLE FROM PRESENTLY ESTIMATED RESOURCES IS LESS THAN THE PROJECTED ANNUAL DEMAND BY THE LATE 1980'S. THE NEA/IAEA STUDY CONCLUDED THAT "EFFORTS TO EXPAND WORLD-WIDE EXPLORATION LEVELS TO MEET THIS CHALLENGE WOULD BE FACILITATED IF A COORDINATED APPROACH WERE ADOPTED BY THE NUCLEAR INDUSTRY AS A WHOLE.

"FOR NUCLEAR POWER TO GROW AS PREDICTED A SERIOUS EFFORT ON SEARCH FOR NEW RESOURCES BY BOTH CONSUMING AND PRODUCING NATIONS IS NEEDED. ALTHOUGH ESTIMATED WORLD URANIUM RESOURCES ARE NOW SOMEWHAT HIGHER THAN REPORTED BY THE NEA/IAEA IN DECEMBER, 1975, DUE TO AUSTRALIAN DEVELOPMENTS, THEY REMAIN INSUFFICIENT FOR LONG-TERM NEEDS. A COORDINATED EFFORT IS REQUIRED TO RESOLVE QUESTIONS ABOUT URANIUM SUPPLY TO PERMIT SOUND LONG-RANGE PLANNING AND TO EXPAND RESOURCES. THERE IS AN URGENT NEED TO EXPAND THE SEARCH FOR NEW FAVORABLE AREAS FOR URANIUM PARTICULARLY IN THE UNEXPLORED AREAS OR LESS EXPLORED AREAS OF THE WORLD IN BOTH DEVELOPED AND UNDERDEVELOPED AND PRODUCING AND NON-PRODUCING COUNTRIES. BECAUSE THE LEAD TIME FOR EXPLORATION AND INSTALLATION OF PRODUCTION FACILITIES IS AT LEAST 10 YEARS AND SUBSTANTIALLY LONGER IN UNEXPLORED AND UNDERDEVELOPED REGIONS, AN EARLY BEGINNING IS IMPERATIVE TO ASSURE ADEQUATE AND TIMELY FUTURE SUPPLIES.

"WITH THE EXCEPTION OF THE UNITED STATES, CANADA AND FRANCE, KNOWN URANIUM DEPOSITS HAVE BEEN FOUND IN COUNTRIES WITHOUT LARGE REQUIREMENTS; IN CASES OF THE LATTER TYPE ONE IMPORTANT FACTOR ENCOURAGING EXPLORATION AND DEVELOPMENT--NATIONAL NEED--DOES NOT EXIST. THE IDENTIFICATION OF LARGE RESOURCES NORMALLY CAN BE CORRELATED WITH THE INTENSITY OF EXPLORATION EFFORT.
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MANY AREAS OF THE WORLD REMAIN LARGELY UNEXPLORED FOR URANIUM. BROADENING THE GEOGRAPHIC BASE OF URANIUM SUPPLY WILL REDUCE CONCERN ABOUT SECURITY OF SUPPLY AND PROVIDE ADDITIONAL ASSURANCE TO THOSE PLANNING NUCLEAR PROGRAMS THAT URANIUM WILL BE AVAILABLE. CONVERSELY, THE RESULTING FIRMING OF THE MARKET FOR URANIUM WILL ALLOW FOR MORE ORDERLY DEVELOPMENT AND PRODUCTION OF RESOURCES.

"PROPOSED APPROACH" (UNDERScoreD)

"WORLD URANIUM RESOURCES CAN BEST BE EVALUATED AND ENLARGED BY A COORDINATED AND SYSTEMATIC COOPERATIVE INTERNATIONAL EFFORT BY CONSUMERS AND PRODUCERS.

THE MOST REASONABLE APPROACH FOR THE IEA WOULD, IN
OUR JUDGMENT, BEGIN WITH IDENTIFICATION OF FAVORABLE

AREAS FOR EXPLORATION, FOLLOWED BY STIMULATION OF AND
TECHNICAL ASSISTANCE TO EXPLORATION IN THOSE AREAS AND
THE EVALUATION OF THE RESOURCE POTENTIAL (ESTIMATED
ADDITIONAL RESOURCES CATEGORY). SUCH ACTIVITIES CAN BE
CARRIED OUT AT RELATIVELY MODEST EXPENSE AND ARE MORE
APPROPRIATE INTERNATIONAL FUNCTIONS THAN THE ACTUAL
DEVELOPMENT OF ORE RESERVES (REASONABLY ASSURED RESOURCES)
WHICH CAN BEST BE EXPLOITED BY FOLLOW-ON EFFORTS EITHER
BY THE INDIVIDUAL COUNTRIES CONCERNED OR AS A COMMERCIAL
ACTIVITY.

"A LOGICAL FIRST STEP IN DEVELOPING A WORLD-WIDE
EVALUATION AND EXPLORATION PROGRAM WOULD BE A SYSTEMATIC
REVIEW OF WORLD GEOLOGY BY INVENTORING WHAT IS NOW
KNOWN ABOUT URANIUM DISTRIBUTION AND GEOLOGIC OCCURRENCE.
KNOWLEDGE OF THE GEOLOGIC OCCURRENCE OF URANIUM DEPOSITS
WOULD PROVIDE A BASIS FOR A SYSTEMATIC IDENTIFICATION,
APPRAISAL AND ASSIGNMENT OF PRIORITIES TO FAVORABLE
AREAS THROUGHOUT THE WORLD. THIS INFORMATION ULTIMATELY
WOULD BE COMPILED AS A COMPREHENSIVE REPORT EVALUATING
THE VARIOUS GEOGRAPHICAL AREAS OF THE WORLD, IDENTIFYING
TARGET AREAS FOR INVESTIGATION, ESTABLISHING PRIORITIES,
AND RECOMMENDING THE SCOPE AND CHARACTER OF FOLLOW-ON
ACTIVITIES. THE DESIRABILITY AND EXTENT OF IEA PARTI-
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CIPATION IN SUCH FOLLOW-ON ACTIVITIES COULD THEN BE
ASSESSED.

"IT WILL, OF COURSE, BE RECOGNIZED THAT EVEN THIS
MORE LIMITED PROPOSED APPROACH REQUIRES ACCESS TO INFOR-
MATION WHICH CAN BE OBTAINED ONLY WITH INCREASING
DIFFICULTY AND EFFORTS TO THIS END PRESENT INTERNATIONAL
RELATIONS IMPLICATIONS WHICH MUST BE CAREFULLY THOUGHT
OUT BEFOREHAND.

"AS THE PROGRAM IS VISUALIZED TO DEVELOP:

-- IN THE FIRST PHASE, IEA MEMBER COUNTRIES WOULD
CONTRIBUTE TO A COMPILATION OF DATA IDENTIFYING FAVORABLE
WORLD-WIDE AREAS FOR EXPLORATION UTILIZING INFORMATION
ALREADY AVAILABLE TO THEM. ADDITIONALLY, THE COOPERA-
TION OF INTERNATIONAL ORGANIZATIONS WHICH MIGHT HAVE
ACCESS TO SUCH INFORMATION WOULD BE SOLICITED. AT THE
CONCLUSION OF THIS PHASE, A REPORT AND RECOMMENDATIONS
FOR FURTHER WORK FOCUSING ON THE STEPS NECESSARY TO AN
ADEQUATE EVALUATION OF THE PROSPECTIVE URANIUM RESOURCES

FOR THOSE NATIONS WITH THE MOST FAVORABLE PROSPECTS WOULD BE MADE BY THE SUBGROUP TO THE GOVERNING BOARD, THROUGH THE SLT.

-- ASSUMING APPROVAL FOR CONTINUATION OF THE PROGRAM, THE NEXT STEP WOULD BE TO CONDUCT FURTHER STUDIES, INCLUDING FIELD INVESTIGATIONS, IN THOSE AREAS HAVING THE GREATEST RESOURCE POTENTIAL, AS IDENTIFIED IN PHASE 1. THIS WOULD NO DOUBT INVOLVE NON-IEA COUNTRIES IF MAXIMUM BENEFIT IS TO BE DERIVED FROM THE EFFORT. THIS STEP POSES POLITICAL PROBLEMS WHICH WOULD NEED RESOLUTION BY A GOVERNING BOARD DECISION EITHER TO SEEK DIRECT COOPERATION WITH SELECTED THIRD-WORLD COUNTRIES OR OTHER NON-IEA COUNTRIES OR TO ATTEMPT TO ENGAGE AN INTERNATIONAL AGENCY, SUCH AS THE IAEA OR THE NEA TO CONDUCT THIS ASPECT OF THE EXERCISE. THIS PHASE ALSO WOULD CONCLUDE WITH A REPORT TO THE GOVERNING BOARD AND WOULD PROVIDE THE INFORMATION NECESSARY FOR FURTHER ACTIONS WITH RESPECT TO WORLD-WIDE EXPLORATION ACTIVITIES.

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"IF THE SUBGROUP GENERALLY SUPPORTS AN APPROACH SUCH AS THAT OUTLINED, IT IS RECOMMENDED THAT A SPECIAL TASK FORCE BE FORMED TO INITIATE PHASE 1 OF THE EFFORT. CONCURRENTLY, THE MEMBERS OF THIS TASK FORCE WOULD SEEK TO DETERMINE THE INTEREST OF THEIR NATIONAL GOVERNMENTS IN COMMITTING RESOURCES, BOTH FINANCIAL AND MANPOWER, TO THE OVERALL PROGRAM, PARTICULARLY TO THE SECOND PHASE SHOULD THE FIRST PHASE PROVE PROMISING." KISSINGER

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